

# NJASFAA Government Relations Newsletter

FALL 2012

## SPECIAL POINTS OF INTEREST:

- **Spotlight on HESAA**
- **Eye on The Election**
- **Ballot Question #1**
- **Shopping Sheet**

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## New Program Off to Steady Start

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Included in the FY 2013 budget Governor Christie signed into law last June, was \$1 million for the new Governor's Urban Scholarship program, which we at HESAA have affectionately dubbed "GUS". Despite not being able to notify eligible students until after the budget was signed into law, approximately 60% of those students who qualified for the new program have accepted the scholarship.

While similar in some respects to the Urban Scholars program under the Coordinated Garden State Scholarship program, there are a number of significant distinctions between the two programs. Specifically, in order to qualify for the \$1,000 scholarship, GUS recipients need to meet the following criteria:

Class Rank	GUS recipients must be in the top 5% of high school class;
GPA	GUS recipients must have a 3.0 or higher; and
Income Eligibility	GUS recipients must have a New Jersey Eligibility Index (NJEI) below 10500.

Finally, a key distinction of the new program is that it is based on city of residency not high school of attendance. In order to qualify for GUS, students must reside in one of 14 high need municipalities in New Jersey. Students do not, however, need to attend high school in one of these municipalities.

GUS awards can be renewed each year for four years. They are identified on your applicant rosters as code "G."

HESAA is proud to administer a program that recognizes students who have excelled academically despite growing up in challenging environments.



## Gainful Employment

On June 30, 2012, the Department of Education received a court ruling in a legal dispute which affects the implementation of the Gainful Employment regulations, issuing a decision that vacated most of the gainful employment regulations that the Department published on October 29, 2010 and June 13, 2011 and remit those regulations to the Department for further action. Court's ruling:

The Court established the Department did not provide good enough reason for setting the repayment rate failure threshold at 35 percent. Therefore, they removed the repayment rate metric as well as the debt-to-income gainful employment metrics that would have gone into effect July 1st 2012.

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## President Obama on Higher Education



The Democratic Party plans to continue their focus on higher education by emphasizing the shared responsibility of states and higher education, along with the federal government, to promote affordability and success in higher education. To make college more affordable the president is calling for a reform to student aid that promotes affordability and value. He proposes to change how federal campus-based aid is distributed by modernizing the formula for funding. As an incentive to keep tuition costs low, federal campus-based aid programs, which he plans to increase to \$10 billion annually, would be rewarded to colleges that control tuition costs while aid would be reduced to those that do not. Moreover, the president plans to not only link federal aid to responsible campus tuition policies but to whether colleges provide “good value” to students and adequately serve those students in need.

The president has also placed a strong emphasis on support for community colleges by proposing to invest \$8 billion in community colleges to help them train students for high-growth industries. Under his proposal, Obama hopes to create a new Community College to Career Fund that provides grants to schools to partner with businesses and deliver training in fields such as health care, advanced manufacturing, clean energy and information technology.

“Nobody will ever deprive the American people of the right to vote except the American people themselves and the only way they could do this is by not voting.” **Franklin D. Roosevelt**

### Exercise your right to vote!

If you are going to the NJASFAA Fall Conference please vote via [absentee ballot](#). If you are mailing the [absentee ballot](#) application, it must be received 7 days prior to the election.

## More on Pell Grant Lifetime Eligibility Limits

The Consolidated Appropriations Act, 2012 (Public Law 112-74) reduced the maximum total semesters a student can receive a Pell Grant to 12. As we reported in the winter 2012 edition, The Department of Ed detailed the changes in [Dear Colleague Letter GEN-12-01](#). This new lifetime eligibility limit has left many students and financial aid offices with some new challenges. In an effort to address some of these the Department of Ed has issued some guidance. On June 29, 2012 the Department of Ed published a [Federal Register](#) that institutions must submit to COD disbursement records no later than 30 days after making a Pell Grant disbursement. Just in case you missed it, the Department of Ed posted an [Electronic Announcement](#) on August 13, 2012, reiterating this. Both

pointed out that failure to report the disbursement in a timely manner could result in the department disallowing the disbursement.

The Department of Ed has also issued guidance on how a student can decline or return a previously disbursed Pell Grant! With the new LEU limits a student might decide that he would rather save the Pell Grant for future use. [Dear Colleague Letter Gen-12-18](#), issued September 4, 2012 describes how a student can go about this. The department will not question a student’s declination or the return of funds as long as all the requirements are met.

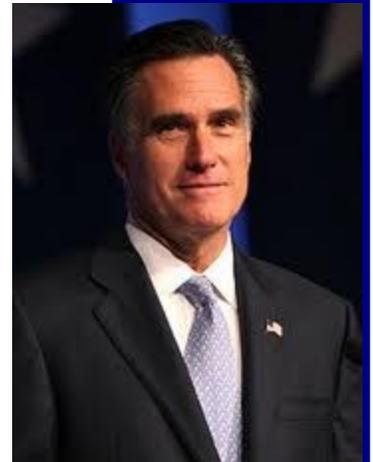
# Governor Romney's Proposals for Higher Education

Governor Mitt Romney laid out his vision for education through his document, "A Chance for Every Child." This plan was released on May 23, 2012 and addressed both K-12 and higher education issues.

In the "A Chance for Every Child" position document, Mr. Romney indicated that believes increased spending on financial aid programs has contributed directly to the growth in college costs. He was particularly critical of the significant growth of Pell Grant spending, up 475% since 1982 while at the same time college costs rose 439%. Mr. Romney further called for the refocus of Pell Grant dollars on students that need them most and wanted to put the program on a plan that would look ahead long-term and avoid the funding shortfalls that have plagued the program in recent years. Mr. Romney's position on Pell Grant seems to be evolving, however, based on comments he has made in the presidential debates. In the first debate he said he has no plans to cut "grants going to people going to college," and in the second debate he seemed to be advocating for increased spending in the program when he said, "I want to make sure we keep our Pell Grant program growing."

Mr. Romney's plan also calls for a reversal of the nationalization of the student loan market and calls for the return of private sector involvement. He does not provide much in the way of specifics on how he would do this but believes that the private sector involvement would better ensure that students are clearly informed about their obligations in borrowing in the federal loan programs. His plan "will embrace a private-sector role in providing information, financing and education itself."

Mr. Romney also supports the simplification of the financial aid system and the elimination of programs that are "duplicative, inefficient, or ineffective." He specifically calls for the repeal of recently enacted regulations on Gainful Employment, state authorization and the definition of a credit-hour .



## Shopping Sheet

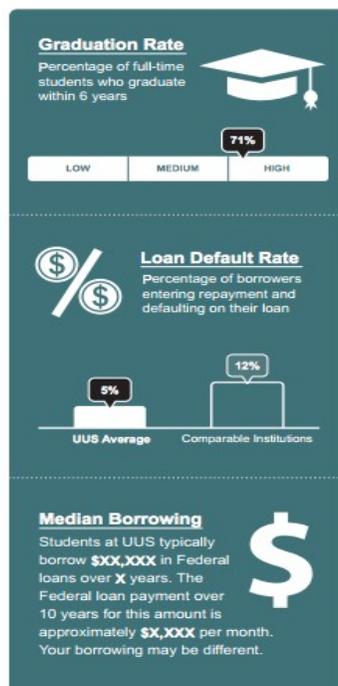
On July 24, 2012, the Secretary of Education released the Financial Aid Shopping Sheet. The goal of the Shopping Sheet is to offer students a consumer-friendly financial aid letter that clearly identifies the type of aid offered to students, the net cost for the academic year it is issued for, and to provide a comparable format to assist students in making their college selection.

In addition to informing students of their aid eligibility and expected net cost for the academic year, the Shopping Sheet provides institutional metrics to students such as graduation rate; loan default rate; median borrowing figures and the average loan payment over a 10 year period. This information provides students a point of reference

of where the issuing institution stands in comparison to the national average in graduation and loan default rates. The information provided to them from the Shopping Sheet will hopefully make the cost factor of obtaining a degree from an institution more transparent.

Currently, the use of the Shopping Sheet is voluntary and strongly encouraged to be used by institutions that receive Federal funds under the military and veterans benefits program to meet a disclosure responsibility under Executive Order 13607.

To view the Financial Aid Shopping Sheet visit <http://ifap.ed.gov/announcements/attachments/FinancialAidShoppingSheet.pdf>.



# Building Our Future Bond Act

On Tuesday, November 6, 2012, New Jerseyans will not only cast their votes for the presidential and congressional elections, but they will also have the opportunity to help the state's institutions of higher education by voting for the bond issue for capital construction. If voters approve the "Building Our Future Bond Act," this means that \$750 million will be distributed among New Jersey's colleges and universities for academic upgrades, such as campus construction, building, renovation, etc. To show their commitment to these projects, colleges will be asked to provide a 25% match.

New Jersey has not put a major bond issue for higher education on the ballot since 1988, and we all know that our campuses need improvements, repairs, and critical maintenance

to continue to serve our students. Moreover, we already are aware of the fact that New Jersey loses far too many of our college-eligible high school graduates through brain drain to other states; and once they leave, they often never return. Our institutions are bursting at the seams, and we need more space to enable New Jersey's high school graduates to attend college in their home state.

For these, as well as many other reasons, the bond issue for capital construction has the backing of the governor and a bipartisan team of democrats and republicans. However, the general public may not realize how important this ballot question is for the future of our colleges and universities. Therefore, in addition to casting our own votes, it is also imperative that we spread the word about the value of the "Building Our Future Bond Act."

## Gainful Employment Part II

The Court also removed the gainful employment program reporting requirements and requirements about adding new gainful employment programs that formerly went into effect on July 1, 2011.

The Court left in place the gainful employment disclosure provisions that require institutions to disclose particular information on institutions' web pages for each gainful employment program, including on time completion rates and information about tuition and costs.

There will be continuous posting of additional updates through the IFAP website ([ifap.ed.gov](http://ifap.ed.gov)) about the status of the gainful employment regulations and the continuing program disclosure requirements.



New Jersey Association of Student Financial Aid Administrators, Inc.

## NJASFAA Government Relations Committee

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Ed Gonzalez, Sallie Mae

Patty Medeiros, Passaic Community College

Patty Pappas, Kean University

Andrea Reilly, Rutgers University

Jennifer Short, Association of Independent Colleges and Universities in New Jersey

Shy Yi, Rutgers University